



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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MICHAEL J. SULLIVAN
DIRECTOR

June 27, 1995
AO-95-22

David R. Nelson
Bristol County Sheriff
P.O. Box 1002
New Bedford, MA 02741

Re: Electronic transfer of funds to pay for computer service

Dear Sheriff Nelson:

This letter is in response to your May 19, 1995 request for an advisory opinion regarding the electronic transfer of funds to pay for an on-line computer service.

You have stated that your campaign wishes to use the "America on Line" computer service, but the service requires payment by credit card or electronic transfer of funds. Since your political committee does not have a credit card, you have asked if payment may be made by electronic transfer.

The office recently advised that the campaign finance law does not allow political committees, depository or otherwise, to receive contributions by electronic transfer. See AO-95-09. We have not previously issued an advisory opinion addressing whether depository candidates may make routine expenditures by electronic transfer.¹

M.G.L. c. 55, s. 19 states that depository candidates, including candidates for sheriff, may make expenditures greater than \$50 only if such expenditures are made by specially formatted checks made payable to the vendor, which are drawn on the candidate's depository bank account. Specifically, section 19(c) states:

All payments for campaign purposes made by or for the benefit of a candidate or by the treasurer of a committee required to designate a depository . . . which are in excess of fifty dollars shall be made only from funds on deposit in said depository through checks drawn on such depository and indicating that such checks are drawn on the campaign account of the candidate or the political committee involved.

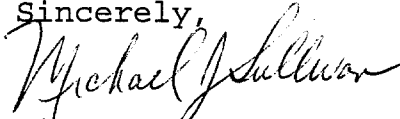
¹ The office has, however, supported legislation that would allow depository candidates to make expenditures by electronic transfer for media purchases if payment by check would prevent a candidate from purchasing media services because of time limitations due to the clearance of funds paid by check.

In addition, M.G.L. c. 55, s. 9 states that "[n]o individual, candidate, political committee, or person acting on behalf of said individual, candidate or political committee, shall make an expenditure for an amount exceeding fifty dollars except by check."²

I understand that the "America on Line" service would generally require payments in amounts less than \$50. Although the statute does not explicitly prohibit the electronic transfer of funds where each transfer is \$50 or less³, it does not contemplate such transfers. The statute does not contain any provision requiring disclosure of electronic transfers, but does allow reimbursements to candidates for expenditures of \$50 or less. See M.G.L. c. 55, s. 19(c). Therefore, you should pay for the service using your personal credit card, and then receive a reimbursement check of \$50 or less from your campaign account. Such reimbursement must be documented by appropriate records.

This opinion has been rendered solely on the basis of the representations in your letter and solely in the context of M.G.L. c. 55. Please do not hesitate to contact this office should you have additional questions.

Sincerely,



Michael J. Sullivan
Director

MJS/cp

² Section 9 also provides that expenditures may be made by credit card. Payments in any amount over fifty dollars for expenditures made by credit card must be made by check.

³ This office would support legislation permitting depository candidates and committees to make electronic transfers where such expenditures cannot be made by check, if the legislation would ensure that the expenditures are fully disclosed and information provided in a manner consistent with M.G.L. c. 55, sections 7 and 19.